

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1111 Main Street, Suite 300
Columbia, SC 29201



Main Line: 803-737-0300
Legal Department: 803-737-0377

DAN EARNETT
CHIEF OF STAFF

183664
COPY

Posted: D. Duke

Dept: SA

Date: 1-11-07

Time: _____

VIA U.S. MAIL

January 9, 2007

FLORENCE P. BELSER
GENERAL COUNSEL

Catherine D. Taylor, Esquire
South Carolina Electric and Gas Company
1426 Main Street, M/C 130
Columbia, SC, 29201

Belton T. Zeigler, Esquire
John P. Boyd, Esquire
Haynsworth Sinkler Boyd, P.A.
Post Office Box 11889
Columbia, SC, 29211

Mitchell Willoughby, Esquire
K. Chad Burgess, Esquire
Willoughby & Hoefer, P.A.
P.O. Box 8416
Columbia, SC 29202-8416

Re: Annual Review of Base Rates for Fuel Costs for South Carolina Electric and Gas Company
Docket No. 2007-2-E

Dear Counsel:

Please find enclosed and served on you the Office of Regulatory Staff's First Continuing Data Requests in the above referenced matter. Please let me know if you have any questions.

Sincerely,

Shannon Bowyer Hudson

Shannon Bowyer Hudson

SBH/pjm
Enclosure

cc: Charles L.A. Terreni, Esquire (w/encl)

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JAN 11 2007
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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2007-2-E

IN RE: South Carolina Electric & Gas Company's)	SOUTH CAROLINA OFFICE OF
Annual Review of Base Rates)	REGULATORY STAFF'S FIRST
for Fuel Costs)	CONTINUING DATA REQUEST
_____)	

TO: CATHERINE D. TAYLOR, BELTON T. ZEIGLER, JOHN P. BOYD, MITCHELL WILLOUGHBY AND K. CHAD BURGESS, ATTORNEYS FOR SOUTH CAROLINA ELECTRIC & GAS COMPANY:

Pursuant to 26 S.C. Code Regs. 103-853 (Supp. 2005), the South Carolina Office of Regulatory Staff ("ORS") hereby serves the within Data Requests upon South Carolina Electric & Gas Company (hereafter referred to as "SCE&G" or "the Company").

ORS hereby requests, pursuant to 26 S.C. Code Regs. 103-853 (Supp. 2005), that you answer the following data requests in writing and under oath within ten (10) days after service at the South Carolina Office of Regulatory Staff, 1441 Main Street, Suite 300, Columbia, South Carolina, 29201. If you are unable to respond to any of the data requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these data requests, "identify" means, when asked to identify a person, to provide the full name, business title, address and telephone number. As used in these data requests, "address" means mailing address and business address. When asked to identify or provide a document, "identify" and "provide" mean to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, you may attach to your responses a copy of the

document and identify the person who has custody of it. When the word "document" is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

Wherever in this data request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS THEREFORE REQUESTED:

- I. That all information requested below, unless otherwise specified, shall be limited to Company's South Carolina Electric Retail Operations for the period under review in this docket.
- II. That all information shall be provided to ORS in the format requested.
- III. That all responses to the data requests below be labeled using the same numbers as used herein.
- IV. That the requested information be bound in 3-ring binders with numbered tabs between each question.
- V. That if information requested is found in other places or other exhibits, reference shall not be made to those; instead, that the information be reproduced and placed in the Data Request in the appropriate numerical sequence.
- VI. That any inquiries or communications relating to questions concerning clarification of the data requested below should be directed to Shannon Bowyer Hudson, Jeffrey M. Nelson, Jay R. Jashinsky or John W. Flitter, of ORS.
- VII. That this entire list of questions be reproduced and included in front of each set of responses.
- VIII. That each question be reproduced and placed in front of the response provided.

- IX. That the Company provide seven (7) paper copies/binders of responses to ORS. In addition and if technically feasible, it is requested that the Company provide one (1) electronic version of the responses.
- X. That all exhibits be reduced or expanded to 8 ½" x 11" format, where practical.
- XI. If the response to any data request is that the information requested is not currently available, please state when the information requested will be available and provided to the ORS.
- XII. That in addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) or agent(s) responsible for the information contained in each response be indicated.
- XIII. This Data Request shall be deemed to be continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.
- XIV. For information requested herein where the information is kept, maintained, or stored using spreadsheets, please provide electronic versions of the spreadsheets, including the formulas used and embedded in the spreadsheet.

REQUESTS:

- 1-1 Please provide copies of any Company correspondence, requests for data and responses, oral or written, from any other parties in this Docket.
- 1-2 Please provide a copy of FERC Form 1 for both the Company and South Carolina Generating Company, Inc. (GENCO) for the latest year available.
- 1-3 Please provide a copy of the Company's and GENCO's monthly FERC Form 423 for the most recent 12 months available.
- 1-4 Please provide a copy of the Company's and GENCO's FERC Form 580 for the most recent 24 months available.
- 1-5 Please provide a copy of all exhibits, schedules and workpapers used to develop the Fuel Hearing Filing for Docket 2007-2-E.
- 1-6 Please provide a detailed analysis of monthly over/under recovery of fuel costs for the actual and forecasted period under review.
- 1-7 For each actual month during the period under review, please provide a variance analysis of actual MWH sales and fuel costs with forecasted amounts used in the 2006 filing. In this response explain all variances greater than $\pm 5.0\%$
- 1-8 Please identify and provide by month the amount of all wheeling costs included in the current filing.

- 1-9 Has the Company used or applied an avoided cost proxy for purposes of this filing? If yes, please provide a comparison of actual and proxy costs.
- 1-10 For each generating unit, please provide monthly and annual actual capacity and availability factors by unit for the period under review.
- 1-11 For each generating unit, please provide the following for each month for the period under review:
- (a) Maximum Dependable Capacity (MDC) or summer capacity rating (MW);
 - (b) gross and net energy output (MWH);
 - (c) quantity of fuel consumed by type; and
 - (d) cost of fuel by type.
- 1-12 For each month during the period under review, please provide the following:
- (a) net system generation (MWH);
 - (b) system purchases (MWH);
 - (c) MWH sales to retail customers;
 - (d) MWH wholesale sales by customer; and
 - (e) fuel costs in \$/KWH for sales to NCEMC.

In this response, please reconcile any differences to the MWH amounts shown in the Company's filing.

- 1-13 Does the Company have any real time pricing sales contracts in which energy charges are based on hourly fuel costs? If the answer is yes, identify such contracts/customers and explain how these sales and fuel costs are treated for purposes of this filing.
- 1-14 Please provide access to all contracts for the purchase of all fossil fuels, including fuel transportation delivery contracts. In the response, please state how and where access is to be provided.
- 1-15 Please provide a narrative description of any changes during the actual and forecasted period to contracts for the purchase of all fossil fuels, including fuel transportation delivery contracts.
- 1-16 Please provide any changes in transportation costs incurred during the review period, plus any projected changes over the next twelve months with narratives describing each actual and projected change.
- 1-17 Please provide a monthly comparison of scheduled coal shipments to coal shipments actually received. Please include an explanation for any scheduled shipments not received and specify the party responsible (e.g. supplier, transporter, or the Company).

1-18 Please identify and describe, separately, the individual rate adjustment indices that apply to the Company's contracts with the CSX and NS railroad companies and the frequency (e.g., monthly, quarterly, etc.) the indices are adjusted. Please specify the components of each index and how the components impact the Company's transportation rates. Also, please identify any other escalator provisions in the Company's contracts with CSX and NS and how they impact the Company's transportation rates. Please describe in detail how costs associated with the above are calculated and how the adjustment factors impacted the fuel clause during the review period in dollars.

1-19 For the period under review, please provide a list of all long-term coal contracts in a tabular format with respect to the following:

- (a) Producer;
- (b) Date of Contract (Initial);
- (c) Expiration Date;
- (d) Term of Contract (years);
- (e) Initial Producer Price (\$);
- (f) Tons (Annual);
- (g) Btu Content (Btu/lb);
- (h) % Sulfur;
- (i) % Ash;
- (j) % Moisture;
- (k) Hardness;
- (l) Transport Method;
- (m) Current Producer Cost (\$);
- (n) Current Transportation Cost (\$); and
- (o) Price Escalators (Y/N).

1-20 For the period under review, please provide a list of all short-term coal contracts in a tabular format with respect to the following:

- (a) Producer;
- (b) Date of Contract (Initial);
- (c) Expiration Date;
- (d) Term of Contract (months);
- (e) Initial Producer Price (\$);
- (f) Tons (Annual);
- (g) Btu Content (Btu/lb);
- (h) % Sulfur;
- (i) % Ash;
- (j) % Moisture;
- (k) Hardness;
- (l) Transport Method;
- (m) Current Producer Cost (\$);
- (n) Comparison to corresponding EIA spot market price; and
- (o) Current Transportation Cost (\$).

- 1-21 Please provide any changes to the Company's overall fuel procurement management philosophy, practices, policies and procedures for the period under review.
- 1-22 Does the Company purchase fuel, fuel supplements, or transportation from any affiliate or entity in which SCE&G or SCANA has financial interest? If the answer is yes, please provide a copy of all contracts (affiliates and non-affiliates) for such fuel or supplements, and monthly volumes and prices for the period under review.
- 1-23 For the most recent 12 month period available, please provide by month the tons of raw coal feedstock input for synfuel conversion at the Canadys and Wateree synthetic coal fuel facilities, separately.
- 1-24 For the most recent 12 month period available, please provide by month the BTU content of coal feedstock input for synfuel conversion at the Canadys and Wateree synthetic coal fuel facilities, separately.
- 1-25 For the most recent 12 month period available, please provide by month the tons of synfuel produced at the Canadys and Wateree synthetic coal fuel facilities, separately.
- 1-26 For the most recent 12 month period available, please provide by month the tons of synfuel moved off site from the Canadys synthetic coal fuel facility, and identify the recipient(s).
- 1-27 For the most recent 12 month period available, please provide by month the tons of synfuel moved off site from the Wateree synthetic coal fuel facility, and identify the recipient(s).
- 1-28 For the most recent 12 month period available, please provide by month the tons of raw coal delivered to the Canadys and Wateree Stations, separately.
- 1-29 For the most recent 12 month period available, please provide by month the ending balance of tons of raw coal inventory for the Canadys and Wateree Stations, separately.
- 1-30 For the most recent 12 month period available, please provide by month the ending balance of tons of synthetic fuel inventory for the Canadys and Wateree Stations, separately.
- 1-31 For the most recent 12 month period available, please provide by month the fuel credits generated by the Canadys synthetic coal fuel facility that were applied to the fuel clause.
- 1-32 For the most recent 12 month period available, please provide by month the fuel credits generated by the Wateree synthetic coal fuel facility that were applied to the fuel clause.
- 1-33 Please describe in detail the Company's oil price hedging strategy to ensure maximization of coal-based synthetic fuel tax credits for Tax Year 2007.
- 1-34 Please provide a copy of the Company's June 9, 2006 letter to the Commission on Synthetic Fuels Partnerships Accounting Letter in reference to Docket # 2004-178-E.

- 1-35 With reference to page 2 paragraph 3 of Data Request 1-34, please identify the stakeholders in the synfuel partnerships and each party currently receiving benefits from the synfuel partnerships.
- 1-36 With reference to Data Request 1-34, please identify each party currently receiving benefits from the synfuel partnerships that participated in the agreement and their corresponding dollar amount & level of participation (i.e., fully or partially).
- 1-37 With reference to Data Request 1-34, please provide IRS Form 8907 (2005) for each synthetic coal fuel partnership that the Company is a participant.
- 1-38 With reference to Data Request 1-34, please provide by month the suspended benefit(s) and the amount of each suspended benefit by party. The suspended benefits include royalties, operating margins for the plant operators, and the \$1.50 per ton discount.
- 1-39 Please provide the Company's latest estimate of the tax credit (dollars per ton) that is expected to be allowed for 2006 including each step in the computation of the estimate by facility.
- 1-40 For each generating unit, please provide the following with respect to all scheduled and forced outages lasting longer than 24 hours for the period under review:
- (a) name of unit;
 - (b) designation of each outage as scheduled or forced;
 - (c) dates and duration of outage;
 - (d) estimated net energy that would have been generated by the unit absent the outage;
 - (e) cause of outage;
 - (f) corrective action to return unit to service;
 - (g) source(s) of replacement power;
 - (h) estimate or calculation of additional fuel and/or purchased power costs resulting from the outage with all supporting workpapers and documentation;
 - (i) copy of all correspondence and reports to and from all regulatory bodies (e.g. NRC) excluding the South Carolina Public Service Commission and ORS; and
 - (j) all orders or other correspondence setting forth any action including any fines or penalties by regulatory authorities.

- 1-41 For the period under review, please provide the following with respect to all scheduled outages lasting longer than originally planned:
- (a) name of unit;
 - (b) scheduled (planned) outage period;
 - (c) actual outage period;
 - (d) reason(s) for extended outage period longer than planned;
 - (e) estimate or calculation of additional fuel and/or purchased power costs resulting from the extended outage with all supporting workpapers and documentation; and
 - (f) copies of all reports and correspondence concerning the extended outage or delayed start up.
- 1-42 Please provide details concerning all peak-load capacity re-ratings, both actual and projected for the period under review.
- 1-43 Please provide details of the Company's forecasted scheduled outages for the next twelve months by plant.
- 1-44 For the actual and forecasted period under review, please provide a schedule of power purchases that provides:
- (a) supplying party;
 - (b) total energy purchased (MWH);
 - (c) total energy price;
 - (d) fuel energy price (as available);
 - (e) capacity purchased (MW);
 - (f) capacity price & cost;
 - (g) FERC or state approved transmission charges;
 - (h) ancillary transmission charges;
 - (i) whether such purchase was on-peak or off-peak daily, weekly or monthly block purchase;
 - (j) whether energy purchased was take or pay;
 - (k) whether energy purchased was firm or interruptible; and
 - (l) use of power (e.g. native load; off system sale, etc.).
- 1-45 Please provide detailed accounting (daily, weekly, or monthly) of the specific use for each purchased MWH for retail, off-system sale, wholesale, etc. including the total MWH's and purchase price from each supplier for the actual period under review.
- 1-46 Did the Company purchase any power from an affiliated supplier during the review period? If yes, please provide name of supplier, purchase amount and dollars paid, and a description of any other consideration or service given or promised in exchange for this purchased power.

- 1-47 Please explain the Company's treatment of off-system sales fuel costs and margins in determining fuel recovery balances.
- 1-48 Please provide off-system sales (MWH) and related total energy revenue and capacity revenue for each month during the actual period under review.
- 1-49 Please provide the latest lifetime capacity factor for the VC Summer Nuclear Plant.
- 1-50 With regards to SO₂ Emission Allowance credits, please provide a report detailing the number and the dollar value of allowances by vintage year for the beginning balance, credits earned or purchased, credits used or sold, and the ending balance for each month of the review period. The report should include the monthly amount charged to the fuel clause.
- 1-51 If the Fuel Hearing Filing for Docket 2007-2-E includes costs (e.g., any costs of firm generation capacity purchases) as outlined in S.C. Code Annotated Section 58-27-865(A) that are also included in base rates, quantify these amounts and explain the Company's proposal or plan to ensure no double recovery of such amounts.
- 1-52 If the Fuel Hearing Filing for Docket 2007-2-E includes any capacity related costs, explain and provide all details relating to the assignment or allocation of these capacity costs to South Carolina for purposes of this filing.
- 1-53 Please provide actual monthly generation percentages for the review period for fossil, nuclear, combined-cycle, combustion turbine and hydroelectric.
- 1-54 For each generating unit, please provide the average fuel cost in cents per KWH, and total generation in MWH by plant for the actual review period.
- 1-55 Please provide the fuel costs in cents per KWH and SC retail energy sales in MWHs by month for the actual review period.
- 1-56 Please provide the estimated fuel costs and SC retail energy sales by month for the succeeding forecasted twelve (12) month period.
- 1-57 In reference to fossil fuel market data, please provide a list of any external publications, reports, documents or other sources such as conferences, seminars or meetings used by the Company to keep abreast of conditions in the market. Also, please provide a list or description of any internal data, reports, or other source materials used or reviewed by the Company in such endeavors.
- 1-58 Please provide the minimum coal quality requirements by plant, including but not limited to Btu, sulfur, ash and moisture content.
- 1-59 Please provide typical annual tonnage requirements by plant.

- 1-60 Please provide the actual heat rates by unit for all plants including combined-cycle and the projected heat rates for calendar years 2006 and 2007, respectively.
- 1-61 Please provide those portions of the Sarbanes-Oxley Section 404 report that address fuel and /or fuel related items for calendar year 2006.
- 1-62 Please provide the work papers for the monthly calculations of any carrying costs charged to the Deferred Fuel Account for the actual period under review in this docket.
- 1-63 Is the Company or any affiliate or entity in which SCANA has financial interest currently under any investigation(s) by the Federal Energy Regulatory Commission ("FERC") that may impact the Company's fuel costs for the actual period under review in this docket? If the response is affirmative, please provide copies of any supporting documents related to such investigations by FERC.
- 1-64 Provide copies of any settlement agreements (e.g., NRC) executed by the Company or any affiliate and FERC exclusive of any municipal, cooperative and public power agreements that would have an impact on the Company's fuel costs for the actual period under review in this docket.
- 1-65 Provide copies of any orders issued by a court of law or by any regulatory agency excluding the South Carolina Public Service Commission and ORS that would have an impact on the Company's fuel costs for the actual period under review in this docket.
- 1-66 Identify and provide a brief description of any lawsuits in which the outcome may have an impact on the Company's fuel costs.
- 1-67 Has the Company or any SCANA affiliate been assessed any fines or penalties by any regulatory agency that would have an impact on the Company's fuel costs for the actual period under review in this docket? If the response is affirmative, please provide all supporting documents related to those assessments.
- 1-68 Please identify and provide copies of all internally or externally prepared reports, studies, analyses, and/or approved Board of Directors' minutes relied upon by the Company's management personnel since February 1, 2006 in making any decisions regarding its fuel, fuel transportation, and power purchasing.
- 1-69 Explain in detail how the Company determines the appropriate fuel costs to assign to all off-system sales.
- 1-70 Has the Company purchased coal from off-shore markets where it was competitive, was required for reliability, or to provide diversity of supply and/or transportation? If the answer is yes, please identify such contracts/vendors and detail the Company's decision to purchase from these markets.

- 1-71 Please provide a copy of the Company's latest Integrated Resource Plan (IRP).
- 1-72 With reference to Data Request 1-71, please describe the Company's evaluation of alternative fuels for current or future power generation.
- 1-73 With reference to Data Request 1-71, please describe the Company's evaluation of new technology and its potential benefits? In particular, describe the Company's continued evaluation of on-site coal/petroleum coke gasification.
- 1-74 Has the Company continued to evaluate the potential of blending coal on-site at its power stations? If yes, please describe:
- (a) any benefits that were identified;
 - (b) whether any coal blending occurred, is occurring or is planned to occur;
 - (c) the plant locations;
 - (d) how the blending process is carried out or planned to be carried out; and
 - (e) how the costs are or will be treated?
- 1-75 What action(s), legal or otherwise, has the Company taken as a result of the lack of performance by rail companies?
- 1-76 Please describe alternate means of coal transportation that the Company has investigated and/or implemented to ensure adequate supply, inventory, and delivery diversity.
- 1-77 Please explain how the Company mitigates market volatility through its coal hedging both financial and physical.
- 1-78 For the period under review, has the Company issued any industry solicitation for coal? If so, please provide copies of the solicitation as well as all evaluation workpapers.
- 1-79 With reference to Data Request 1-78, has the Company awarded any contracts from the industry solicitation for coal for the period under review? If so, please make available copies of all awarded contracts.
- 1-80 Please provide a list of the names of the witnesses the Company intends to call and the subject matter for which each witness intends to testify for the hearing in this matter.

Shannon Bowyer Hudson

Shannon Bowyer Hudson, Esquire

Jeffrey M. Nelson, Esquire

South Carolina Office of Regulatory Staff

PO Box 11263 (29211)

1441 Main St., Ste. 300

Columbia, SC 29201

Phone: (803) 737-0889

(803) 737-0823

Fax: (803) 737-0895

Email: shudson@regstaff.sc.gov

jnelson@regstaff.sc.gov

January 9, 2007
Columbia, SC

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-2-E

IN RE:

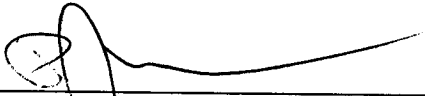
Annual Review of Base Rates for)	
Fuel Costs For South Carolina Electric)	CERTIFICATE OF SERVICE
And Gas Company)	

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **OFFICE OF REGULATORY STAFF'S FIRST CONTINUING DATA REQUESTS** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

John P. Boyd, Esquire
Belton T. Zeigler, Esquire
Haynsworth Sinkler Boyd, P.A.
Post Office Box 11889
Columbia, SC, 29211

Catherine D. Taylor, Esquire
South Carolina Electric and Gas Company
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Mitchell Willoughby, Esquire
K. Chad Burgess, Esquire
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P.O. Box 8416
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Pamela J. McMullan

January 9, 2007
Columbia, South Carolina